

Guide for Review of Homebuyer Projects			
Participating Jurisdiction (PJ):		Subrecipient:	
Staff Consulted:			
Owner/Project Address:		HOME /ADDI Amount:	
Name(s) of Reviewer(s)		Date	

NOTE: All questions that address requirements contain the citation for the source of the requirement (statute, regulation, NOFA, or grant agreement). If the requirement is not met, HUD must make a finding of noncompliance. All other questions (questions that do not contain the citation for the requirement) do not address requirements, but are included to assist the reviewer in understanding the participant's program more fully and/or to identify issues that, if not properly addressed, could result in deficient performance. Negative conclusions to these questions may result in a "concern" being raised, but not a "**finding**."

Instructions: These questions are to be used to review individual project and unit records for both HOME- and ADDI-funded homebuyer projects. Nearly all HOME requirements apply to ADDI-funded homebuyer projects (match and Uniform Relocation Act requirements differ), so all of the HOME-related questions in this Exhibit also apply to ADDI-funded projects. Note, however, that additional requirements apply to ADDI; separate ADDI questions are included to cover those requirements. In reviewing ADDI projects, monitors must keep in mind that, due to limitations within IDIS with respect to designation of ADDI projects, the units that a PJ has designated as ADDI units may not be the same units that the Department has designated as ADDI units. Consequently, monitors should only assess the compliance of units that the PJ has designated as ADDI units with the ADDI requirements. All other units should be treated as HOME units, irrespective of whether HUD has counted them as ADDI units. One Exhibit is to be completed for each individual project reviewed. This Exhibit is divided into nine sections: Participant Eligibility; Property Eligibility; Recapture/Resale Provisions; Eligible Costs; Property Standards; On-Site Inspection; Contractor Selection; Construction Management; and Project Documentation. If an area or question is not examined, make a note to this effect in the "Describe Basis for Conclusion" section of the applicable question.

Questions:

A. PARTICIPANT ELIGIBILITY

1.

Was the family's projected annual income calculated in accordance with the <i>Technical Guide for Determining Income and Allowances for the HOME Program</i> ? [HOME: 24 CFR 92.203(b); ADDI: 24 CFR 92.610(c)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Describe Basis for Conclusion:		

Exhibit 7-5
HOME Program

2.

Was the applicable definition of income used (e.g. the definition selected for this homebuyer program)?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Describe Basis for Conclusion: 		

3.

Was household income supported with source documentation? [HOME: 24 CFR 92.203(a)(2); ADDI: 24 CFR 92.610(c)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Describe Basis for Conclusion: 		

4.

Was the family's annual income less than or equal to 80% of the area median income? [HOME: 24 CFR 92.254(a)(3); ADDI: 24 CFR 92.612(c)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Describe Basis for Conclusion: 		

5.

Was the family's income determined not more than 6 months before the HOME or ADDI funds were committed to this homebuyer? [HOME: 24 CFR 92.203(d)(2); ADDI: 24 CFR 92.610(c)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Describe Basis for Conclusion: 		

6.

If the family is assisted with ADDI funds, does the family meet the first-time homebuyer definition in 24 CFR 92.2? [24 CFR 92.602(a)(1)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
Describe Basis for Conclusion:			

7.

Does the written agreement with the homebuyer specify that the buyer must use the property as a principal residence throughout the period of affordability? [HOME: 24 CFR 92.254(a)(3) and 24 CFR 92.504(c)(5)(i); ADDI: 24 CFR 92.612(c) and 92.616(e)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Describe Basis for Conclusion:		

8.

Does the written agreement specify remedies or actions the PJ must take if the principal residence requirement is not met for the affordability period? [HOME: 24 CFR 92.254(a)(5) and 24 CFR 92.504(c)(5)(i); ADDI: 24 CFR 92.612(c) and 92.616(e)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Describe Basis for Conclusion:		

9.

Was the form of ownership eligible under the HOME or ADDI Programs (i.e., fee simple title; 99-year lease; 50-year lease on Indian lands; condominium or cooperative; or other, with State and HUD approval)? [HOME: 24 CFR 92.2 and 92.254(c); ADDI: 24 CFR 92.612(c)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Describe Basis for Conclusion:		

B. PROPERTY ELIGIBILITY

10.

Does the file list the property as a single-family home (1- 4 units)? [HOME: 24 CFR 92.254(a)(1), 24 CFR 92.2; ADDI: 24 CFR 92.602(a)(1)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Describe Basis for Conclusion:		

11.

Did the HOME and/or ADDI investment total at least \$1,000 per HOME-assisted unit? [HOME: 24 CFR 92.205(c); ADDI: 24 CFR 92.602(c)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Describe Basis for Conclusion:		

12.

Was the sales price, or, if applicable, the after-rehabilitation property value less than 95% of the area median single family purchase price? [HOME: 24 CFR 92.254(a)(2); ADDI: 24 CFR 612(c)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Describe Basis for Conclusion:		

13.

For projects involving rehabilitation, was the after rehabilitation value of the property determined using appropriate methods (e.g., appraisal, tax assessments or assessment by qualified staff)? [HOME: 24 CFR 92.254(a)(2); ADDI: 24 CFR 92.612(c)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
Describe Basis for Conclusion: 			

14.

Was the HOME and/or ADDI investment no greater than the maximum per-unit subsidy limit established by HUD? [HOME: 24 CFR 92.250(a); ADDI: 24 CFR 92.612(a)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Describe Basis for Conclusion: 		

15.

If ADDI funds were used in the project, was the ADDI investment less than the greater of either: a) \$10,000; or b) 6% of the sales price of the property? (Note: This requirement does not apply to FY 2003 ADDI funds.) [24 CFR 92.602(e)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
Describe Basis for Conclusion: 			

16.

Does the project file include:		
a. Relocation notice to seller (if applicable)? (Note: For ADDI, the Uniform Relocation Act requirements apply only to FY 2003 funds.) [HOME: 24 CFR 92.353; ADDI: 24 CFR 92.614(b)(2)]	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No N/A
b. Relocation notice to tenant (if applicable)? (Note: For ADDI, the Uniform Relocation Act requirements apply only to FY 2003 funds.) [HOME: 24 CFR 92.353; ADDI: 24 CFR 92.614(b)(2)]	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No N/A
c. Lead Hazard Paint notice (if pre-1978 property)? [HOME: 24 CFR 92.355; ADDI: 24 CFR 92.614(a)(4)]	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No N/A
d. Environmental review (if applicable)? (If determining compliance with environmental review requirements, the reviewer should use Exhibit 21-1 to answer this question. Otherwise, verify the presence of documentation indicating that a review was performed.) [HOME: 24 CFR 92.352; ADDI: 24 CFR 92.614(a)(2)]	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No N/A
Describe Basis for Conclusion:		

C. RECAPTURE / RESALE PROVISIONS

17.

Does the written agreement with the homebuyer include required recapture or resale provisions? (Complete Exhibit 7-16, "Owner, Developer, Sponsor Written Agreement Exhibit," if the PJ's standard agreement has not already been reviewed.) [HOME: 24 CFR 92.504(c)(5); ADDI: 24 CFR 92.616(e)]	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No
Describe Basis for Conclusion:		

18.

If the property is under resale provisions, was a deed restriction or covenant running with the land recorded? [HOME: 24 CFR 92.254(a)(5)(i)(A); ADDI: 24 CFR 92.612(c)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
Describe Basis for Conclusion:			

19.

If the property was sold before the end of the affordability period, were the recapture or resale requirements met? [HOME: 24 CFR 92.254(a)(4); ADDI: 24 CFR 92.612(c)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
Describe Basis for Conclusion:			

20.

Was the correct period of affordability established for the project, based upon the total amount of HOME and ADDI assistance provided to the homebuyer if under a resale provision or the direct subsidy provided with HOME and/or ADDI funds, if under a recapture provision? [HOME: 24 CFR 92.254(a)(4); ADDI: 24 CFR 92.612(c)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Describe Basis for Conclusion:		

D. ELIGIBLE COSTS

21.

Was the amount of assistance provided to the homebuyer reasonable (i.e., based upon a review of individual financial circumstances)? [OMB Circular A-87, Attachment A, Section C.2]	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Describe Basis for Conclusion:		

22.

If more than one source of public funds (Federal, State and local) was provided, did the PJ perform a subsidy layering review to ensure that excessive subsidy was not provided? [HOME: 24 CFR 92.250(b); ADDI: 24 CFR 92.612(a)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
Describe Basis for Conclusion:			

23.

If unit was rehabilitated or newly constructed, do the costs appear to be reasonable? [OMB Circular A-87, Attachment A, Section C.2]	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
Describe Basis for Conclusion:			

24.

<p>a. Was the subsidy provided in an eligible form of investment (i.e., equity investments, interest bearing or non-interest bearing loans or advances, interest subsidies, deferred payment loans, grants, or loan guarantees)? [HOME: 24 CFR 92.205(b); ADDI: 24 CFR 92.602(c)]</p>	<div style="display: flex; justify-content: space-around;"> <input type="checkbox"/> Yes <input type="checkbox"/> No </div>
<p>Describe Basis for Conclusion:</p>	

<p>b. If the subsidy was provided in a form not listed above, was that form approved by HUD? [HOME: 24 CFR 92.205(b)(1); ADDI: 24 CFR 92.602(c)]</p>	<div style="display: flex; justify-content: space-around;"> <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A </div>
<p>Describe Basis for Conclusion:</p>	

E. PROPERTY STANDARDS

25.

<p>If direct homebuyer assistance only was provided (no construction), did the property meet applicable property standards at time of transfer to the homebuyer ? [HOME: 24 CFR 92.251(a)(2); ADDI: 24 CFR 92.612(b)]</p>	<div style="display: flex; justify-content: space-around;"> <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A </div>
<p>Describe Basis for Conclusion:</p>	

26.

If only direct homebuyer assistance was provided and the homebuyer was to perform necessary rehabilitation:			
a. Was the property free of health and safety violations before occupancy? [HOME: 24 CFR 92.251(b)(2); ADDI: 24 CFR 92.612(b)]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No	N/A
b. Does the agreement require completion of rehabilitation within 24 months or, if ADDI funds are used for rehabilitation, within one year? [HOME: 24 CFR 92.251(b)(3); ADDI: 24 CFR 92.602(a)(2)]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No	N/A
c. Is there evidence that property met the property standards within the required timeframe? [HOME: 24 CFR 92.508(a)(3)(iv); ADDI: 24 CFR 92.616(i)]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No	N/A
Describe Basis for Conclusion:			

27.

If the project was constructed before 1978, did the PJ comply with lead-safe housing requirements at 24 CFR Part 35? [Complete Lead Hazard Exhibits 24-1, 24-2, 24-3 or 24-4, as appropriate, to answer this question.] [HOME: 24 CFR 92.355; ADDI: 24 CFR 92.614(a)(4)]	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No
Describe Basis for Conclusion:		

28.

If the project involved rehabilitation, does the project file include the following:			
a. Work write-up/cost estimate? [24 CFR 92.505(a) and 24 CFR 85.36(f)]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No	N/A
b. Documentation of initial inspection? [24 CFR 92.505(a) and 24 CFR 85.36(f)]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No	N/A
c. Documentation of progress inspections? [24 CFR 92.505(a) and 24 CFR 85.36(b)(2)]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No	N/A
Describe Basis for Conclusion:			

29.

If the project involved rehabilitation, does the work write-up:		
a. include all work noted on the initial inspection report? [HOME: 24 CFR 92.251; ADDI: 24 CFR 92.612(b)]	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No
b. reflect the PJ's written rehabilitation standards? [HOME: 24 CFR 92.251(a); ADDI: 24 CFR 92.612(b)]	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No
Describe Basis for Conclusion:		

<p>If the project involved rehabilitation, was the work write-up written with enough detail to enable a contractor to provide a reliable bid? [24 CFR 92.505(a) and 24 CFR 85.36(c)(3)(i) and 85.36(d)(2)(i)(A)]</p>	<div> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> </div> <div> Yes No N/A </div>
<p>Describe Basis for Conclusion:</p>	

<p>If the project included rehabilitation, was the work performed in accordance with the PJ's written rehabilitation standards?</p> <p>[HOME: 24 CFR 92.251(a); ADDI: 24 CFR 92.612(b)]</p>	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
<p>Describe Basis for Conclusion:</p>			

If the project included rehabilitation, does the final inspection confirm that:			
a. all contracted work was completed? [24 CFR 92.505(a) and 24 CFR 85.36(b)(2)]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No	N/A
b. the property met all applicable property standards at completion? [HOME: 24 CFR 92.251(a); ADDI: 24 CFR 92.612(b)]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No	N/A
Describe Basis for Conclusion:			

33.

On-Site Inspection: If this project has been selected for an on-site inspection to examine the quality of the rehabilitation work, the HUD reviewer should perform a walk-through of the property with the initial inspection, the work write-up, and the final inspection report.				
[OS] a.	Based upon observable conditions, have the deficiencies identified in the initial inspection report been corrected? [HOME: 24 CFR 92.251; ADDI: 24 CFR 92.612(b)]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		Yes	No	N/A
[OS] b.	Is the homebuyer satisfied with the rehabilitation?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		Yes	No	N/A
[OS] c.	Is the property free of all obvious property standards violations? [HOME: 24 CFR 92.251; ADDI: 24 CFR 92.612(b)]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		Yes	No	N/A
Describe Basis for Conclusion:				

F. CONTRACTOR SELECTION (if applicable)

34.

Does the project file include verification of contractor eligibility, e.g. that awards were not made to any party excluded, disqualified or otherwise ineligible (i.e., suspension, debarment or limited denial of participation) for Federal procurement or nonprocurement programs? [HOME: 24 CFR 92.350(a); ADDI: 24 CFR 92.614(a)(1)]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No	N/A
Describe Basis for Conclusion:			

35.

Was the rationale for the selection of the contractor documented? [24 CFR 92.505(a) and 24 CFR 85.36(c)(9)]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No	N/A
Describe Basis for Conclusion:			

36.

If the PJ selected the contractor, was a competitive bid process used? [24 CFR 92.505(a) and 24 CFR 85.36(d); HOME: 24 CFR 92.505(a); ADDI 24 CFR 616(f)]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
Describe Basis for Conclusion: 	

37.

If the homebuyer solicited the bids, was more than one bid solicited?	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
Describe Basis for Conclusion: 	

G. CONSTRUCTION MANAGEMENT

38.

Did the homebuyer and contractor execute a construction or rehabilitation contract? [24 CFR 92.505(a) and 24 CFR 85.20(b)(6)]	<input type="checkbox"/> <input type="checkbox"/> Yes No
Describe Basis for Conclusion: 	

39.

Were progress inspections of the project performed prior to approving the contractor's request for payment? [24 CFR 92.505(a) and 24 CFR 85.36(b)(2)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Describe Basis for Conclusion:		

40.

Did the owner approve final payment to the contractor?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Describe Basis for Conclusion:		

41.

a. Final Lien Release? [24 CFR 92.505(a) and 24 CFR 85.36(b)(2)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No
b. Contractor Warranty or Equipment Warranties? [24 CFR 92.505(a) and 24 CFR 85.36(b)(2)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Describe Basis for Conclusion:		

H. PROJECT DOCUMENTATION

42.

Based upon a review of the project file, is the documentation being maintained sufficient to demonstrate compliance with the following HOME requirements:			
a. Income eligibility? [HOME: 24 CFR 92.203 and 92.254(a)(3); ADDI: 24 CFR 92.610(c) and 92.612(c)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
b. Written agreement? [HOME: 24 CFR 92.504; ADDI: 24 CFR 92.616(e)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
c. Principal residency? [HOME: 24 CFR 92.254(a)(3); ADDI: 24 CFR 92.612(c)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
d. Approved form of ownership? [24 CFR 92.2; HOME: 24 CFR 92.254(c); ADDI 24 CFR 92.612(c)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
e. Property type (single family 1-4)? [HOME: 24 CFR 92.254(a)(1), 24 CFR 92.2; ADDI: 24 CFR 92.602(a)(1)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
f. Property value? [HOME: 24 CFR 92.254(a)(2); ADDI: 24 CFR 92.612(c)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
g. Minimum HOME/ADDI investment? [HOME: 24 CFR 92.205(c); ADDI: 24 CFR 92.602(e)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
h. Maximum per unit subsidy? [HOME: 24 CFR 92.250(a); ADDI: 24 CFR 92.612(a)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
i. Maximum ADDI subsidy? [24 CFR 92.602(e)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
j. Resale/Recapture requirement? [HOME: 24 CR 92.254(a)(5); ADDI: 24 CFR 92.612(c)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
k. Property standards (including lead-based paint)? [HOME: 24 CFR 92.251; ADDI: 24 CFR 92.612(b)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
l. Eligible costs? [HOME: 24 CFR 92.206; ADDI: 24 CFR 92.602(b)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
m. Subsidy layering (if applicable)? [HOME: 24 CFR 92.250(b); ADDI: 24 CFR 92.612(a)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
Describe Basis for Conclusion:			